



Request for City Council Committee Action from the Department of Human Resources

Date: November 27, 2012

To: Ways and Means / Budget Committee

Referral to: City Council

Subject: Amendments to the City of Minneapolis Minneflex Plan and
the City of Minneapolis Health Reimbursement Arrangement Plan

Recommendation:

Authorize the execution of amendments to the City of Minneapolis Minneflex Plan ("Minneflex") and the City of Minneapolis Health Reimbursement Arrangement Plan ("HRA") to comply with federal health care reform legislation and to make certain clarifying changes.

Previous Directives:

Minneflex: Adoption of the City of Minneapolis Minneflex Plan, as Amended and Restated Effective January 1, 2007. Adoption of First Amendment effective January 1, 2008, adoption of Second Amendment effective January 1, 2009, adoption of Third Amendment effective January 1, 2010, and adoption of Fourth Amendment effective January 1, 2011.

HRA: Adoption of the City of Minneapolis Health Reimbursement Arrangement Plan, as Amended and Restated Effective January 1, 2006. Adoption of First Amendment effective January 1, 2009, adoption of Second Amendment effective January 1, 2010, adoption of Third Amendment effective January 1, 2011 and adoption of Fourth Amendment effective May 1, 2011.

Department Information

Prepared by: Joyce Traver and Susan Trammell

Approved by: _____

Timothy J. Giles
Interim Human Resources Director

Paul W. Aasen
City Coordinator

Presenters in Committee: Joyce Traver, Benefits Manager

Financial Impact

- Action is within the Business Plan; nominal negative impact on FICA due to health reform required limits on Minneflex medical reimbursement accounts.

Supporting Information

The Amendment to the Minneflex will:

- As required under the Patient Protection and Affordable Care Act:
 - Lower the annual limit on maximum annual reimbursements from the Minneflex medical reimbursement account from \$5,000 to \$2,500.
 - Provide for a two-stage process with to appeals of denied claims of benefits under the Minneflex medical reimbursement account and the Minneflex dependent care reimbursement account.
- Update the definition of independent boards and agencies.
- Update information on the insurance carriers and other third parties that provide insurance and administrative services under the plan.

The Amendment to the HRA will:

- Provide that trustee fees may be paid by means other than from assessments to participants' accounts.
- Extend the time period for submission of benefit claims from 18 months after the date the eligible expense was incurred to 18 months after the end of the plan year in which the expense was incurred.
- As required under the Patient Protection and Affordable Care Act, provide for a two-stage process with to appeals of denied claims of benefits under the HRA.